

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Rural Development – NREGS-AP – Operationalization of Central Fund Management System through Nodal Banks – orders - Issued.

PANCHAYAT RAJ & RURAL DEVELOPMENT (RD.II) DEPARTMENT

GO.Ms.No.406

Dated: 29.12.2009

Read the following:

1. G.O.Ms.No.113 of Finance (Ways & Means) Department,
Dated 10.05.07.
2. G.O.Ms.No.211 of PR&RD (RD.II) Dept., dated 31.05.08.
3. G.O.Ms.No.307 of PR&RD (RD.II) Dept., dated 12.08.08.
4. Commissioner, RD proposal dt. 29-12-2009

ORDER:

Government of India and the State Government have been releasing funds for implementation of the NREGA, promulgated with the objective of providing 100 days of wage labour per household. In accordance with section 21(1) of NREGA, Andhra Pradesh State Employment Guarantee Fund (APSEGF) has been opened vide ref 3rd read above. Since then both the Government of India (GOI) and Government of Andhra Pradesh have been releasing funds directly to this account.

2. With a view to achieving transparency and optimum utilisation of the funds released for the developmental programmes, Government of AP issued guidelines vide G.O. 1st cited above, that the funds released by both Government of India and Government of Andhra Pradesh shall be routed through only one bank for a scheme and transfer funds to wherever there is expenditure using an e-transfer mechanism. Accordingly, orders have been issued in G.O.2nd read above for operationalization of Central Accounting System through Nodal Banks on pilot basis in Nizamabad district. Based on the experiences in Nizamabad District and with reference to the proposals submitted by Commissioner, RD, and after detailed discussions with the banks and TCS (the IT Agency for NREGS), it is hereby decided for the implementation of the Central Fund Management System (CFMS) as a financial management package for NREGS with effect from **15th January, 2010** details of which shall be as below:

- a) Identification of **nodal bank(s)**: Commissioner Rural Development will identify certain nationalized banks as nodal banks for CFMS, which agree to work with Government in its objective to implement complete biometric payments for NREGS and pension schemes. All payments through Department of Posts shall only be transacted through SBH/SBI as the case may be and in case of payments through smart card, the designated nodal bank for that district shall facilitate the payments to the smart card banker. The banks identified as Nodal Banks under CFMS will upgrade/adjust their IT system to allow a seamless transfer of the payments generated at the field level by authorized functionaries. The Commissioner, Rural Development shall enter into **MoU** with the identified nodal banks to operationalise the CFMS and place funds in the central accounts as per the requirement from time to time.
- b) Closure of all field level accounts: All accounts opened so far at the mandal and district level for placing funds under NREGS shall be closed on or before **15th January, 2010** and the funds shall be transferred to the nodal bank accounts notified by Commissioner, Rural Development. Here after for the purpose of implementation of NREGS-AP the DPCs at district level and the MPDOs at mandal level shall not maintain any bank accounts.
- c) Online transfer of funds: There shall be **online transfer** of funds as and when pay order is generated as given below:
- i) As and when expenditure has been incurred in the field, MPDO generates pay order for wage payments, supplier payments and contingency payments using the NREGS software (RAGAS) as is being done now.
 - ii) All pay orders shall be only 'e-pay orders' generated in electronic format.
 - iii) Pay orders are electronically grouped as Fund Transfer requisitions (FTR) following a concept of 'one account holder – one FTR'. Each FTR shall have the name of the account holder, name of the bank and branch where to be deposited, amount to be deposited, address of account holder, Bank IFSC code number and purpose of the payment.
 - iv) In case of wage payments, all pay orders routed through one disbursing source is clubbed as one FTR and funds are transferred to the Head Post master (for all payments being made through post offices) or smart card banker (where payments are made using smart cards) as the case may be.

- v) In case of supplier payments, FTR is generated for transfer of funds directly to the supplier's account, subject to validations.
 - vi) FTRs so generated are transmitted electronically to the Central server for further process of payment. All these processes shall be automatised in the software.
 - vii) Each day, the central server will cumulate all the FTRs received from various mandals, bank-wise; and transmit the same to the nodal bank server using an electronic process without manual interface so that the payments will be deposited in the accounts of the payee in each transaction.
 - viii) The moment FTRs are transmitted to the banks, automatic notification shall be given to the Head Post Office / smart banker concerned that funds are being transferred for disbursing to the beneficiaries as stated in the e-pay orders.
 - ix) The servers of the nodal banks will process the e-pay orders automatically without manual interface; and the funds are transferred from the nodal bank account to the payee as per the e-pay order.
 - x) Once the Nodal Bank adjusts the amounts in the accounts they shall send the information regarding the status of the transaction to the NREGS server on a daily basis.
- d) **Software for enabling the online payments:** It is essential that robust software is developed within the RAGAS with fool-proof security systems to facilitate the online payments covering all disbursements to be made for NREGS at Mandal, District and State level including the payments through line departments like ITDA, Panchayat Raj Engineering Department, Forest Department and SERP. The TCS shall develop the software with proper **security** systems including encryption, firewalls and other IT security procedures. The Commissioner, RD will get the software and the entire online process examined through IT Audit wing of AGAP, Hyderabad and takes advice from them and make changes accordingly.
- e) **Authorised disbursing accounts:** The disbursing accounts of all the cash offices/Head Post Masters, Smart Card operating Bankers, Individual accounts of EGS functionaries and accounts of suppliers shall be entered in a **master list**, after due authentication by PDs. After entry, the master list can be edited only at State level.
- f) **Validations:** The Commissioner, RD shall fix upper validations for each of the category of the payment and fix up budget ceiling for each Mandal/district/line department/ITDA & also for each head

of account so that they will not exceed uploading payments in online system. The amount allowed for payment to suppliers shall also be fixed based on the quantity of the work done.

- g) Designated Officers and the operating procedure: The MPDO in case of mandal; PD in case of DWMA; EE in case of DCCs of PRED; DFO in case of FD; PO ITDA in case of ITDA shall be the '**Designated Officers**' (DOs) **who** upload the pay orders to central server. A secure password system should be developed by TCS so that only '**designated officer**' can upload the pay orders into central server. Alternatively Commissioner RD and TCS shall work out a biometric system in place of password to authenticate the access to upload the pay orders by the designated officers. **Designated Officers** (DOs) will be responsible for all transactions done using their password. The following would be the procedure to be adopted by the DOs:
- i. The DO shall examine the proposal for payment first; and only after approving on paper, shall proceed to upload the pay orders on the computer. The Pay orders shall be prepared based on the existing system of Muster rolls, M-Books, bills of suppliers, salary vouchers etc., as the case may be.
 - ii. The DO will be responsible for all e-pay orders generated by him/her.
 - iii. The DO shall be present personally when pay orders are generated once or twice a day depending on his convenience.
 - iv. After uploading all pay orders accumulated up to the point of uploading, the DO shall record & sign on paper the date, time when the pay orders are uploaded.
 - v. All the hard copies of approved uploaded pay orders shall be maintained in an exclusive file.
 - vi. The DO shall maintain FTR register on the lines of cheque issue register. The format of FTR register is enclosed as **Annexure-I**.
 - vii. The DO would also need to do FTR reconciliation every month, duly reconciling FTRs as per FTR register with reference to payments actually made. In case of any discrepancies or delays, they shall be brought to the notice of the PD / concerned officer.

j) Audit: The internal audit shall be conducted on all payments made each month. The Project Director (DWMA) shall collect monthly FTR reconciliation statements duly signed by the MPDOs. The Head of Departments of Line Department, shall collect and furnish FTR reconciliation statement duly signed by District Officers to Commissioner, RD. The Internal Auditors shall check the reconciliation reports with reference to approved hard copies of pay orders and carry out the internal auditing. The format of monthly reconciliation is enclosed as **Annexure-II**. If any discrepancy is seen during reconciliation, the DO shall initiate necessary action immediately. He/she shall also bring such discrepancy to the notice of his /her immediate reporting officer and Commissioner, RD. Formats for different categories of payments are enclosed in the Annexures III, IV, V, VI, VII, VIII. The Commissioner, RD shall develop a strong MIS system using the status of pay order data base for the purpose of monitoring the entire system. The Commissioner, RD shall reconcile all the bank wise payments/transactions taken place in the entire state with bank statements.

4. Administrator of the system: The Director, EGS is designated as administrator for the purpose of administering the software with TCS and Bankers.

5. Commencement: This system will come into effect from 15th January 2010.

6. Commissioner, Rural Development is requested to take immediate steps for operationalising this system before the commencement date covering the following:

- (i) Collect the disbursing accounts along with IFSC code numbers from each of the MPDO, PD-DWMA, PO-ITDA, line departments to develop a master data base in software.
- (ii) Complete all other preparatory activities as outlined above
- (iii) Training all Project Directors, Addl. PDs and FMs at the State level. Similarly the PDs, DWMA shall conduct similar trainings to all DOs - MPDOs, line department officers on this new system at district level. Develop a simple training module to build awareness among all EGS functionaries and other functionaries of line departments on this new fund management and online payment system.
- (iv) Collect the data of GPs/Villages falling under each branch office, sub office and Head Post Office.

7. Commissioner RD will issue further guidelines to MPDOs and other Designated officers in operationalising the system.

8. This G.O is available in <http://www.rd.ap.gov.in> and <http://www.aponline.gov.in>

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.SUBRAHMANYAM
Secretary to Government (RD)

To

The Commissioner, Rural Development, Hyderabad.

The Chief Executive Officer, SERP, Hyderabad.

The Tata Consultancy Services, High Tech City, Hyderabad

The Director, Employment Guarantee Scheme, Hyderabad.

The Engineer-in-Chief, Panchayat Raj, Hyderabad

The Director, Horticulture, Public Gardens, Hyderabad.

The Principal Chief Conservator of Forests, Hyderabad.

The Dist. Collectors and Dist. Programme Coordinators of 22 NREGS-AP Districts.

The Project Directors & Addl.DPCs of DWMA, 22 NREGS-AP Districts.

The Project Directors & Addl. DPCs of DRDA, 22 NREGS-AP Districts.

The Project Officers & Addl. DPCs of ITDAs, NREGS-AP Districts.

The Chief Executive Officers, Zilla Parishads.

Copy to the Secretary to Government, PR & RD, Hyderabad.

Copy to the Commissioner, Panchayat Raj Department, Hyderabad.

Copy to all the Special Officers of O/o. Commissioner, RD, Hyderabad.

Copy to the MPDOs of 22 NREGS-AP Districts.

Copy to the PS to Principal Secretary, PR & RD, Hyderabad.

Copy to the General Section, PR & RD, Hyderabad.

Copy to the Nodal banks

//FORWARDED :: BY ORDER//

SECTION OFFICER

Government of Andhra Pradesh
National Rural Employment Guarantee Scheme-AP
O/o. Mandal Parishad Development Officer & Programme Officer, EGS.

_____ Mandal, _____ District.

Uploaded FTR Register

Sl. No	Uploading Date	FTR No.	FTR Date	Amount approved	Name of Account holder to whom the amount is sanctioned	Signature of designated officer with date

**Government of Andhra Pradesh
National Rural Employment Guarantee Scheme-AP
O/o. Mandal Parishad Development Officer & Programme Officer, EGS.**

_____ Mandal _____ District

FTR RC. No. _____/EGS/2009 **Dated :** _____

Monthly FTR Reconciliation Certificate

For the month _____ **year** _____

The status of Fund Transfer Requisitions issued during the month of _____ and reconciliation status as per web report is as follows:

Details of FTR issued as per web report			Difference		Remarks	Action taken
No.	Date	Amount	Excess	Less		
Total						

Certified that the paid FTRs are checked with mandal FTR Register and found correct except the above mentioned deviations against the FTR above

Sign. of CO.

Sign. of Addl. PO, EGS

Sign.of MPDO/PO, EGS.

_____ Mandal

_____ District

To

The Project Director,

DWMA _____ District

Copy to FTR reconciliation file

Copy to Assistant Project Director _____ for information

Copy submitted to Commissioner, RD for information

Government of Andhra Pradesh
National Rural Employment Guarantee Scheme-AP
O/o. Mandal Parishad Development Officer & Programme Officer, EGS.

_____ **Mandal,** _____ **District.**

Fund Transfer Requisition

Format – I: Wage Payments through Post Offices.

FTR No.	Account No	:
Voucher No.	Name of Bank & Branch	:
Date :	IFSC No of the Bank	:
	Sub post office (name)	:
	Head Post office (name)	:

Sl.No	Pay Order details					
	Pay order No.	Pay order date	No. Of labour in pay order	Work Id No.	Habitation Name	Amount
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total Amount						

Please transfer Rs._____ (_____) to
HPM _____ at _____ bank
in _____ branch to the above account towards wage payment to
NREGS labourers as per the above pay orders.

Sign. of CO. Sign. of Addl. PO, EGS. Sign. of MPDO/PO, EGS.

***It is to certify that I have verified and uploaded the above approved FTR on
_____ at _____ am/pm.***

Signature of MPDO/PO, EGS.

Mandal

District.

Government of Andhra Pradesh
National Rural Employment Guarantee Scheme-AP
O/o. Mandal Parishad Development Officer & Programme Officer, EGS.

_____ **Mandal,** _____ **District.**

Fund Transfer Requisition

Format – II: Wage Payment through Banks using biometric system

FTR No.	Account No.	:
Voucher No.	Name of the Bank	:
Date	Branch of the Bank	:
	IFSC No of the Bank	:

Sl.No	Pay Order details					
	Pay order No.	Pay order date	No. Of labour in pay order	Work Id No.	Habitation	Amount
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total Amount						

Please transfer Rs._____ (_____) to the Manager of _____ Bank _____ Branch to the above account, towards wage payment of NREGS labourers as per above pay orders.

Sign. of CO. Sign. of Addl. PO, EGS. Sign. of MPDO/PO, EGS.

It is to certify that I have verified and uploaded the above approved FTR on _____ at _____ am/pm.

Signature of MPDO/ PO, EGS.
_____ Mandal
_____ District

Government of Andhra Pradesh
National Rural Employment Guarantee Scheme-AP
O/o. Mandal Parishad Development Officer & Programme Officer, EGS.

_____ Mandal, _____ District.

Fund Transfer Requisition

Format III : Salary of NREGS-AP Employees through Banks

FTR No.	Account No.	:
Voucher No.	Name of the Bank	:
Date	Branch of the Bank	:
	IFSC No of the Bank	:

Please transfer an amount Rs._____ (_____) to
Sri/Smt. _____, (Designation) to the above account towards
Salary/TA bill/Medical bill /other for the month of _____, _____ year.

Sign. of CO. Sign. of Addl. PO, EGS. Sign. of MPDO/PO, EGS.

***It is to certify that I have verified and uploaded the above approved FTR on
_____ at _____ am/pm.***

Signature of MPDO/PO, EGS.

_____ Mandal

_____ District.

Government of Andhra Pradesh
National Rural Employment Guarantee Scheme-AP
O/o. Mandal Parishad Development Officer & Programme Officer, EGS.
_____ Mandal, _____ District.

Fund Transfer Requisition

Format IV: Payment to suppliers of works through Bank

FTR No. _____ Date: _____
Voucher No. _____

Please transfer an amount of Rs. _____ (_____) as detailed below:

1	Name of the Account Holder	
2	Address of Account holder	
3	Account No.	
4	IFSC No.	
5	Name of Bank	
6	Address of Bank Branch	
7	Work ID No.	
8	Name of work	
9	Location of work	
10	Gram Panchayat Name	
11	MB No.	
12	MB Page Nos.	From _____ to _____
13	Purpose of payment	

Sign. of CO. Sign. of Addl. PO, EGS. Sign. of MPDO/PO, EGS.

It is to certify that I have verified and uploaded the above approved FTR on _____ at _____ am/pm.

Signature of Computer Operator Signature of Addl. PO, EGS.
_____ Mandal
_____ District.

**Government of Andhra Pradesh
National Rural Employment Guarantee Scheme-AP
O/o. Mandal Parishad Development Officer & Programme Officer, EGS.**

_____ Mandal, _____ District.

Fund Transfer Requisition

Format VI: Payment of Advance to the Employee working under NREGS-AP

FTR No:	Account No.	:
Voucher No.:	Name of the Bank	:
Date :	Branch of the Bank	:
	IFSC No of the Bank	:

Please transfer an amount Rs._____/ - (Rupees _____) to Sri/Smt. _____
Addl. PO, EGS, _____ Mandal, _____ District to the above
account towards advance to meet the incidental expenditure. This amount is
sanctioned vide proceeding No. _____ dated _____ by the MPDO
& PO of _____ mandal.

Sign. of CO. Sign. of Addl. PO, EGS. Sign.of MPDO/PO, EGS.

***It is to certify that I have verified and uploaded the above approved FTR on
_____ at _____ am/pm.***

Signature of Addl. PO, EGS.

_____ Mandal

_____ District

Government of Andhra Pradesh
National Rural Employment Guarantee Scheme-AP
O/o. Mandal Parishad Development Officer & Programme Officer, EGS.

_____ Mandal, _____ District.

Fund Transfer Requisition

Format V: Payment to suppliers of other than works through Banks.

FTR No : _____

Date: _____

Voucher No : _____

Please transfer an amount of Rs. _____ (_____) as detailed below:

1	Name of the Account Holder	
2	Address of Account holder	
3	Account No.	
4	IFSC No.	
5	Name of Bank	
6	Address of Bank Branch	
7	Details of items supplied	
8	Head of Account	

Sign. of CO.

Sign. of Addl. PO, EGS.

Sign. of MPDO/PO, EGS.

It is to certify that I have verified and uploaded the above approved FTR on _____ at _____ am/pm.

Signature of Computer Operator

Signature of Addl. PO, EGS.

_____ Mandal

_____ District.

VALIDATIONS

The following maximum limits are prescribed for each FTR.

Sl.No	Fund Transfer Requisition No.	Details of FTR	Maximum limit to be fixed per FTR
1	F T R No. I	Wage Payments through Post Offices.	Rs.20,000,00/-
2	F T R No. II	Wage Payment through Smart Card	Rs.20,000,00/-
3	F T R No. III	Salary of NREGS-AP Employees through Banks	Rs.20,000/-
4	F T R No. IV	Payment to suppliers of works through Bank	Rs.2,00,000/-
5	F T R No. V	Payment to suppliers of other than works through Banks.	Rs.1,00,000/-
6	F T R No. VI	Payment of advance to the Employee working under NREGS-AP	Rs.10,000/-